



DEPARTMENT OF STATE
ACTION MEMORANDUM

7719470

Original to:
O/FADRC

S/S

Copies to:

P
T ~~CONFIDENTIAL~~

S/P
ARA

H

PM

D/HA

RF:njs

TO: The Secretary

THROUGH: P - Mr. Habib
T - Mrs. Benson

FROM: ARA - Terence A. Todman
D/HA - Patricia M. Derian
PM - Leslie Gelb

SUBJECT: Restriction of Arms Sales to Argentina in the light of Human Rights Situation

ISSUES FOR DECISION

How restrictive should we be in denying pending commercial and Foreign Military Sales (FMS) under cash and financing procedures to the armed forces and police of Argentina, in light of the serious abuses of human rights in that country?

ESSENTIAL FACTORS

In Argentina, there is no question that human rights are being violated including arbitrary detention, torture and summary executions. While there have been some recent signs which may be a cause for hope, the level of violations remains high. This led us to abstain in June on two World Bank loans.

~~Non-Proliferation is a major interest in Argentina.~~
As the second largest country in South America in population, area and per capita GNP, Argentina is and will remain an important political influence in the region. It has substantial uranium reserves and an ambitious nuclear power program. It has the most advanced nuclear capability of any Latin American state and the greatest potential for an autonomous fuel cycle. U.S. efforts to prevent proliferation in Brazil, and Latin America generally, depend critically on Argentina's acceptance of full-scope safeguards (which it has shown a conditional willingness to consider) and deferral of its fuel reprocessing program.

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~~Argentina is also important economically.~~ The U.S. is Argentina's largest trading partner (we currently have a \$250 million trade surplus). ~~U.S. banks hold \$3 billion of Argentina's debts and U.S. industry has some \$1.2 billion invested in the country.~~ Argentina is a major food exporter and may have in its extensive continental shelf large reserves of oil. Although the country has recently suffered severe economic troubles, it is a generally self-sufficient industrial and economic leader in Latin America.

~~Over 40 applications for commercial arms exports to Argentina are pending.~~ The most urgent of these cases is a \$15 million commercial order from Bell-Textron for eight armored helicopters, equipped with exterior gun mounts and wiring. Two of them are for Presidential use and the rest for Argentina's Antarctic activities. If we approve this "major" sale, routine Congressional notification is required. ~~There are also two outstanding FMS cases (See Attachment).~~

~~The Department has been denying commercial export license applications for defense articles and services for police and other civil law enforcement use, and FMS purchase requests for articles and services which could be diverted to such use.~~ The extension of FY 77 FMS financing is also being withheld. The conference report on the FY 78 security assistance authorization bill contains a provision prohibiting all FMS sales and financing, grant training, and licenses for the export of defense articles and services to the Government of Argentina, beginning, however, only in FY 1979.

Section 502B of the Foreign Assistance Act of 1961, expresses a policy of promoting human rights and of not providing security assistance to any country engaged in a consistent pattern of gross violations of internationally recognized human rights, except in extraordinary circumstances. It is not necessary at any time to characterize expressly the human rights practices of a recipient government. Moreover, the annual human rights report required by that section has been submitted to the Congress with respect to Argentina. Nevertheless, ~~the Congress may at any time request from you a supplementary report on Argentina.~~ To continue such assistance it then would be necessary for you to state your opinion that extraordinary circumstances exist so that, on all the facts, the

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continuation of security assistance to Argentina is in the national interest. While no such report has been requested, the potential for subsequent legal problems exists if you are unable to conclude that such circumstances (sufficient to meet the requirements for continued assistance under Section 502B (c)) now exist.

THE OPTIONS

There is general agreement that we should not sell or license the export of defense articles and services of usefulness to police and other civil law enforcement organizations in Argentina. The present issue, then, is whether to extend such restrictions to cover other sales and exports to Argentina, and if so, which.

There are three options, all of which would be subject to review dependent upon the human rights situation:

1. Continue our present policy of denying internal security sales, allowing, on a case-by-case basis, FMS sales and commercial exports for the Argentine military. No new extensions of FMS financing would be contemplated, but disbursements against prior years' financing to meet payments for previously approved purchases would continue. Under this option, some of the pending 40 cases would be approved, including helicopters, armored vehicles, periscopes and torpedoes.

2. Deny all new FMS sales and licenses for commercial exports. This would deny pending requests.

3. With the exception of spare parts for equipment previously sold, we would deny all new FMS and commercial sales.

Option 1 - Current Policy

PROS

-- Does least damage to our other interests in Argentina, particularly those involving nuclear non-proliferation.

-- Preserves a minimal tie with the Argentine armed forces - a dominant institution in Argentina - in a period of political instability.

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-- ~~Is consistent with our policy toward other countries with poor human rights records~~ (e.g. Korea, Iran, Philippines).

-- ~~Provides some incentive for the Government to improve its human rights practices before the anticipated legislative embargo takes effect.~~

CONS

-- ~~Will mean that weapons and other equipment will be provided to the Argentine military forces which are directly involved in human rights violations.~~

-- ~~Will be opposed by a significant number of Congressmen and by other influential groups as inconsistent with the spirit of Section 502B.~~

-- ~~May encourage the Argentine Government to assume the U.S. Government's policy is hortatory only and that there is no cost involved in continued repression.~~

Option 2 - Temporary Embargo

PROS

-- ~~Is consistent with the spirit of 502B.~~

-- ~~Sends a clear message to the Argentine government that we cannot provide arms while human rights conditions remain as they are.~~

-- ~~Will probably have wide public and Congressional support.~~

-- ~~Other instruments can be used to foster U.S. interest.~~

CONS

-- ~~Will antagonize the Government and the armed forces and seriously damage such leverage as we have, both on the important nuclear proliferation problems and on human rights.~~

-- ~~Will force Argentina to look elsewhere for arms, possibly including the USSR, thus complicating U.S. efforts to develop~~

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~~regional arms transfer controls~~, pursuant to the new arms transfer policy.

-- Might ~~undermine Argentine President Videla~~, viewed generally as a force for moderation.

Option 3 - Spares Only

PROS

-- Fulfills an implicit obligation to service previously supplied equipment.

-- Same as Option 2.

CONS

-- Similar to Option 2.

Recommendations

That you approve ~~Option 1~~ which would limit denials of arms and exports to articles and services for police and civil law enforcement uses, or which could be described as such (favored by ARA, PM and the Department of Defense).

Approve

Disapprove

JUL 25 1977 *WJH*

ALTERNATIVELY, that you approve ~~Option 2~~ to deny Argentina all FMS cash and commercial export licenses for defense articles on the Munitions List (favored by D/HA).

Approve

Disapprove

ALTERNATIVELY, that you approve ~~Option 3~~ to restrict arms sales to spare parts and repair parts for equipment previously sold or approved for export (favored by S/P).

Approve

Disapprove

Attachment:

Pending FMS cash sales and export license applications.

Drafted: ARA/ECA:FERondon; D/HA:OJones; T:LBrown; L:EBorek

Concurrences: PM/SAS:RTitus; PM/MC:Robinson; S/P:RFeinberg; H:CCutter
OSD/IAS:ColThomas *CT/RR*

We will review all proposals on a case by case basis.

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PENDING FMS CASH CASES AND
MUNITIONS LIST LICENSE APPLICATIONS

License Applications

- 7 cases for export of electronic coding and enciphering equipment and image intensifiers
- 1 technical assistance agreement for armored cars
- 20 cases for export of small orders for small arms and ammunition for Argentine military personnel and units
- 10 cases involving automatic weapons and small arms.
- 1 advisory opinion request re export of up to 35 V-150 armored cars
- 1 advisory opinion request re export of 2 to 6 CH-47C "Chinook" helicopters (unarmed)
- 1 export license application for 8 UH-1H armored helicopters with provision for attachment of machine guns
- 1 advisory opinion request re export of attack periscopes for submarines

Foreign Military Sales Cash Cases

- 4 FMS cash cases concerning MK-44 torpedoes and various kinds of ammunition, including mortar and artillery

INCOMING
TELEGRAM

PAGE 01 222219Z
ACTION INR-07

1713

INFO OCT-01 PM-05 ARA-10 EUR-12 /035 W
-----043196 230810Z /15

R 22214Z JUL 77
FM JCS
INFO RUEACMC/CMC WASHINGTON DC
CSAF WASHINGTON DC
CNO WASHINGTON DC
CSA WASHINGTON DC
C I A
SECSTATE WASHINGTON DC
WHITE HOUSE WASHINGTON DC
NSA WASH DC
R 22214Z JUL 77
FM [REDACTED]
TO RUEKJCS/DIA WASHDC
INFO USCINCSO QUARRY HTS CZ

~~CONFIDENTIAL-NOFORN~~
THIS IS IR [REDACTED]

1. ARGENTIA (AR) SOVIET UNION (UR)
2. [REDACTED]
3. ARGENTINE AIRA TO VISIT SOVIET UNION (U)
4. N/A
5. 770712/770713
6. 770722
7. 770212/770713 LIMA, PERU
8. N/A

FOIA(b) (3) - 10 USC 424 - DIA, NRO and NGA

9. [REDACTED]
10. [REDACTED]
11. NO
12. [REDACTED]
13. [REDACTED]
14. A. ARGENTINE NAVAL ATTACHE STAFF NCO
B. ARGENTINE AIRA
15. NON-DIRC
16. ~~IN~~ ARGENTINE AIR ATTACHE (AIRA) TO VISIT SOVIET UNION.
1. ~~NO REPORT ON 770712 ARGENTINE NAVY NCO (NAVAL ATTACHE STAFF NCO) TOLD~~

ARGENTINE AIRA TOLD [REDACTED] HE WAS GOING TO SOVIET UNION ON VACATION SOMETIME IN SEPTEMBER. NO MENTION WAS MADE OF ANY BUSINESS HE MIGHT BE ATTENDING TO.

2. ~~(C/NOR GRN)~~ ON 770712 ARGENTINE NAVY NCO (NAVAL ATTACHE STAFF NCO) TOLD [REDACTED] AIRA WOULD BE TRAVELING TO SOVIET UNION SSON. HE GAVE "VACACIONES Y NEGOCIO" (VACATION AND BUSINESS) AS REASONS FOR TRIP. WHEN QUERIED AS TO WHAT KIND OF BUSINESS HE WOULD BE DEALING IN, NCO REPLIED, "VAN A PONER LA PATA HASTA DONDE NO SE VAN A PODER PONER EL ZAPATO". WHEN QUESTIONED AS TO WHAT HE MEANT BY THAT HE REPLIED, "NO HAY MAS". "MI PAIS ESTA TODO JODIDO". (THERE IS NO MORE, MY COUNTRY IS ALL MESSED UP).

COMMENT: ~~IN LETTER TRANSLATION OF SOURCE COMMENTS ARE~~
~~STATEMENT THAT SOVIET UNION ONLY IN THE AREA OF WATER TO~~
~~TO WATER CONCERN UNDER LOSS OF CONTROL IN AREA OF WATER~~
~~FROM SOVIETS.~~ IT IS OUR OPINION THAT TRANSLATION OF
 COMMENTS MADE BY SOURCE A INFER THEY MAY PUT THEIR FOOT IN
 AND NEVER BE ABLE TO PULLIT OUT ENTIRELY. EMBASSY COORD:
 DCM, POL. GDS-31DEC83.

EOT

A likely consequence of our failing to provide some continuing arms supply, according to HRA

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Department of State

Argentine
INCOMING
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9 June 77

PAGE 01 072122Z
ACTION INR-07

0715

072122Z

INFO OCT-01 PM-04 00A-10 /022 W

-----072122Z 103665 /70

P 072120Z JUN 77
FM JCS
INFO RUEFHQA/CSAF WASHINGTON DC
CNO WASHINGTON DC
CSA WASHINGTON DC
C I A
SECSTATE WASHINGTON DC
WHITE HOUSE WASHINGTON DC
NSA WASH DC

P 071930Z JUN 77
FM [REDACTED]
TO RUEKJCS/DIA WASH DC/DB-3B3
INFO USCINCSO QUARRY HTS CZ
24TH COMFW HOWARD AFB CZ

FOIA(b) (3) - 10 USC 424 - DIA,
AFRO and NGA

CONFIDENTIAL/NOFORN 0456 JUNE 77

SUBJ: THIS IS IR [REDACTED]
1. ARGENTINA (ARI)

2. [REDACTED]
3. 101 MILITARY ORDER OF BATTLE - BELL 212'S FOR ARGENTINA

4. N/A

5. 770604

6. 770505

7. 770604, BUENOS AIRES, ARGENTINA

8. DIRM III/AR-021

9. [REDACTED]

10. [REDACTED]

11. NO

12. [REDACTED]

13. [REDACTED]

14. A. 62040200, E. DTG

15. DIRC: NO; NOFORN TO AVOID EMBARRASSMENT TO HOST GOVT.

16. SUMMARY: [REDACTED] ARGENTINE AIR FORCE (ARGAF) IS VERY CONCERNED OVER THEIR NEED TO HAVE HELICOPTERS SOON, AND DELAYS IN A SUG DECISION TO GRANT AN EXPORT LICENSE FOR EIGHT BELL 212'S WILL FORCE THEM TO PURCHASE THE FRENCH PUMA. ARGAF LOOKS AT THE PUMA AS A VERY POOR SECOND OPTION TO THE BELL 212, BUT NEEDS HELICOPTERS NOW.

2. DETAILS: 1. [REDACTED]

HE STATED THAT BRIGADIER

AGOSTI, CINC ARGAF, HAD TOLD HIM THAT IF THE USG DID NOT HAVE A FAVORABLE DECISION ON THE BELLS BY 9 JUN 77, THE ARGAF WOULD BUY THE FRENCH PUMA TO BE CAUSE IT HAD THE HELICOPTERS IT NEEDED FOR ESCORT MISSIONS, AND THE HELICOPTERS WOULD BE USED FOR ESCORT MISSIONS, AND THE HELICOPTERS WOULD BE USED FOR ESCORT MISSIONS.

2. [REDACTED] SOURCE A APPARENTLY IS KNOWLEDGEABLE OF THE DEBATE GOING ON WITHIN USG CONCERNING HUMAN RIGHTS AND ARMS SALES. HE ASKED IF [REDACTED] HUMAN RIGHTS ADVOCATES WITHIN THE STATE DEPARTMENT WOULD BE ABLE TO DELAY THE DECISION ON GRANTING AN EXPORT LICENSE FOR THE BELL 212'S.

UNTIL [REDACTED] HE STATED THAT [REDACTED] IN DIRECT CONTACT WITH WASHINGTON. HE COULDN'T PROVIDE A VALID OPINION, BUT THAT HE UNDERSTANDS THAT THE BURDEN OF PROOF IS NOW ON THOSE ADVOCATING REFUSAL OF A SALE. SOURCE A WENT INTO DETAIL ON THE MANY REASONS HE, AND THE ARGAF, DON'T WANT THE PUMA; E.G. INFERIOR PERFORMANCE, POOR MATERIEL SUPPORT, EXCESSIVELY LONG LEAD TIMES FOR SPARE PARTS, OVERALL GREATER COSTS IN ARGAF PERSONNEL AND FINANCIAL RESOURCES. IN A PERSONAL ASIDE, SOURCE A CONFIDED TO [REDACTED] THAT HE ALREADY HAD A TEAM READY FOR TRAVEL TO US FOR THE BELL 212'S. HE COMPLAINED IF USG DELAYS DECISION PAST 9 JUN. HE WILL HAVE TO REFORM THE TEAM TO SEND IT TO FRANCE FOR PUMAS.

3. [REDACTED] THE MENTIONED NEWSPAPER ACCOUNTS THAT A HELICOPTER HAD BEEN USED TO ILLUMINATE AND PROVIDE FIRE SUPPORT FOR A RECENT COUNTER-SUBVERSIVE OPERATION IN WHICH 16 TERRORISTS WERE KILLED. SOURCE A REQUESTED CLARIFICATION. HE STATES: A) THAT NO ARGAF HELICOPTERS HAD BEEN USED IN THAT OR SIMILAR OPERATIONS; B) THAT THE FEDERAL POLICE HAVE HELICOPTERS WITH ILLUMINATION CAPABILITY, BUT NO FIRE CONTROL SYSTEM; AND C) THAT IF ANY FIRE SUPPORT CAME FROM HELICOPTERS, IT WAS SMALL ARMS FIRE FROM THE PILOTS. SOURCE A, GETTING MORE EMOTIONAL, STATED HE HAD NO INFORMATION WHICH WOULD SUPPORT SOURCE B'S CLAIM THAT FEDERAL POLICE WERE USING THEIR HELICOPTERS AS SHOOTING PLATFORMS. HE WENT ON TO SAY THAT IT WOULD BE "CRIMINAL" TO DELAY OR DENY THE EXPORT LICENSE FOR THE 212'S BASED ON ONE NEWSPAPER ACCOUNT OF ONE COUNTER-INSURGENCY ENCOUNTER. COMMENT: [REDACTED] SOURCE'S COMMENTS CONCERNING THE DECISION DATE FOR AN EXPORT LICENSE INDICATES THAT THE ARGAF MAY HAVE DECIDED TO CLOSE THE PURCHASE DEAL FOR PUMAS, IF BELL 212'S ARE NOT AVAILABLE, WHILE THE COMMANDERS OF THE OPERATIONS COMMAND AND MATERIEL COMMAND ARE AT THE INTERNATIONAL AEROSPACE EXPOSITION IN PARIS, WHICH ENDS 10 JUN 77. SOURCE A'S KNOWLEDGE OF THE DEBATE ON ARMS SALES, AND HUMAN RIGHTS, IN THE STATE DEPARTMENT INDICATES THAT THE ARGAF THERE IS ASKING ARGAF WILL BE INVOLVED IN ACTIVITY IN WASHINGTON. SOURCE A'S REACTION TO MENTION OF THE HELICOPTER SUPPORT FOR THE RECENT COUNTER-SUBVERSIVE OPERATION WAS ONE OF RESENTMENT TO CLARIFY THAT HE WAS NOT INCLINED TO BELIEVE THAT TO THE BEST OF SOURCE A'S KNOWLEDGE THE FACTS OF THAT CASE WERE AS HE PRESENTED THEM. THIS USG HAS BEEN COORDINATED BY EMBASSY. GDS-2

EO 1

MS; PO; MB; Return to E5
6/8
Emotional or not,
the 212's are
to be used for
external gen
capability.
No need to
change

vice
April
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